

**GLOBAL ECONOMICS**  
(GLOB ECON)

*Global Economics* is a business course that provides students with an understanding of their role as consumers and producers in domestic and global economies. This course enables students to understand how the economic system operates while comprehending their role in that system. Students deal with public policy, international economics, microeconomics, and macroeconomics in comparing economic systems and using selected economic measures. Instructional strategies may include development of a school-based enterprise, case studies, field trips, guest speakers, job shadowing, simulations, Internet research, and business experiences.

- Recommended Grade Level: 12
- Recommended Prerequisite: None
- Credits: A one-credit course over one semester
- Counts as a Directed Elective or Elective for the General, Core 40, Core 40 with Academic Honors and Core 40 with Technical Honors diplomas
- A Career Academic Sequence, Career-Technical program, or Flex Credit course
- May fulfill up to one graduation credit of the Economics requirement
- Course content standards/performance expectations and Indiana Academic Standards integrated at: <http://www.doe.in.gov/octe/bme/curriculum/contentstandards.htm>
- Teacher Requirements: <http://doe.in.gov/dps/licensing/assignmentcode>
- Career Clusters: A recommended component for career pathways in all Indiana career clusters
- Career pathway information: <http://www.doe.in.gov/careerpathways>

## **Course Content Standards and Performance Expectations**

### **GE 1 Basic Economic Concepts (Scarcity, Choice, and Opportunity Costs)**

**GE 1.1 Content Standard:** Students illustrate the relationship among scarcity, choice and opportunity costs.

#### ***Performance Expectations***

- GE 1.1.1** Explain why scarcity requires individuals, governments, businesses, and societies (groups; cultures) to make choices
- GE 1.1.2** Demonstrate understanding of rational economic decision making by explaining the costs and benefits of alternative choices in a given situation
- GE 1.1.3** Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual, government, business, or society
- GE 1.1.4** Critique the trade-off among economic growth, national security, efficiency, and personal freedom

### **GE 2 Economic Systems (Role of Government; Labor Productivity)**

**GE 2.1 Content Standard:** Students compare and contrast global economic systems.

#### ***Performance Expectations***

- GE 2.1.1** Identify questions that must be answered by any economic system (e.g., what is to be produced, how much to produce, how it is to be produced, etc.)

- GE 2.1.2** Show how economic systems are categorized by how they answer the basic economic questions
- GE 2.1.3** Explain how economic systems are mixed by how they answer the basic economic questions
- GE 2.1.4** Evaluate the strengths and weaknesses of alternative economic systems
- GE 2.1.5** Explain the fundamental role of government in a market economy, a traditional economy, and a command economy
- GE 2.2** **Content Standard:** Students analyze marketplace structures in economic systems.

***Performance Expectations***

- GE 2.2.1** Define labor productivity and explain the basic factors (education and training, technology, specialization, and comparative advantage) which affect productivity
- GE 2.2.2** Analyze the relationship between price, supply, and demand
- GE 2.2.3** Demonstrate the efficiency of an economic system's decision making through production possibility curves
- GE 2.2.4** Analyze how price, supply, and demand allocate productive resources
- GE 2.2.5** Describe different types of competitive structures in economic systems
- GE 2.2.6** Illustrate the role of competitive markets in economies
- GE 2.2.7** Explain the role and effect of labor unions in a given economy
- GE 2.2.8** Evaluate how labor unions and businesses have shaped each other and evolved
- GE 2.2.9** Form and support an opinion on the influence of monopolies and oligopolies on marketplaces
- GE 2.2.10** Explain the business cycle and the factors that influence it
- GE 2.2.11** Describe and evaluate how businesses are formed, operated, and funded
- GE 2.2.12** Evaluate and explain how and why governments control businesses and individuals through laws and taxes

**GE 3      World Trade**

- GE 3.1** **Content Standard:** Students analyze the necessity for global interaction within the different economic systems.

***Performance Expectations***

- GE 3.1.1** Demonstrate how all countries are interdependent
- GE 3.1.2** Explain how specialization promotes international trade and how international trade increases total world output
- GE 3.1.3** Explain how governments and cartels/syndicates influence world trade
- GE 3.1.4** Compare/contrast absolute advantage versus comparative advantage
- GE 3.1.5** Identify the components that make up the balance of payments and balance of trade among nations
- GE 3.1.6** Evaluate the effects of trade agreements among nations (NAFTA, GATT, etc.)
- GE 3.1.7** Analyze and explain the positives and negatives of Barriers to Trade (Tariffs, Quotas, etc.)

## **GE 4 Money and Banking**

**GE 4.1 Content Standard:** Students explain the role of monetary and fiscal policies in a global economy and how it relates to individuals' daily lives, businesses, and governments.

### ***Performance Expectations***

- GE 4.1.1** Investigate the roles of the Federal Reserve and Congress
- GE 4.1.2** Explain what the Federal Reserve is, its function, and its impact on the U.S. economy
- GE 4.1.3** Differentiate between monetary policy and fiscal policies
- GE 4.1.4** Explain what is money and how it is given value
- GE 4.1.5** Compare the advantages and disadvantages of the barter system, currency, and near money
- GE 4.1.6** Analyze how changing interest rates are used to influence economies
- GE 4.1.7** Research the structure of financial institutions and analyze the consumer and commercial products offered
- GE 4.1.8** Analyze the history and current trends of U.S. and international banking and predict the future of banking and its role in a global society
- GE 4.1.9** Analyze and discuss the structure of, the purpose for, and the affects of government taxation

**GE 4.2 Content Standard:** Students research the role of currency and international financial institutions in a global economy.

### ***Performance Expectations***

- GE 4.2.1** Compare/contrast the value of different currencies among nations
- GE 4.2.2** Explain the roles and functions of the World Bank, the International Monetary Fund (IMF), and other international banking/financial institutions
- GE 4.2.3** Compare and analyze the security exchanges and their effect on the world economy
- GE 4.2.4** Analyze the influence of events such as trade policies, politics, natural disasters, and cultural factors on the value of currency
- GE 4.2.5** Explain how the value of money and the exchange rate influence the standard of living in an economy

## **GE 5 Making Career Choices (Integrated within the other four units)**

**GE 5.1 Content Standard:** Students visualize your career options in a global economy.

### ***Performance Expectations***

- GE 5.1.1** Analyze U.S. and foreign economies to forecast how trade will affect job opportunities and income potential
- GE 5.1.2** Identify and assess personal interests, abilities, life goals, and possible career choices
- GE 5.1.3** Differentiate among various occupational choices (e.g., service, manufacturing, agricultural, public service, professional, technical)
- GE 5.1.4** Predict your future lifestyle and income using current global economic trends
- GE 5.1.5** Evaluate the impact of sociological, economic and technological changes on future careers

# Indiana Academic Standards Integrated into Global Economics

## English/Language Arts

### Standard 1

*Reading: Word Recognition, Fluency, and Vocabulary Development*

- 12.1.3 Analyze the meaning of analogies encountered, analyzing specific comparisons as well as relationships and inferences.

### Standard 2

*Reading: Comprehension and Analysis of Grade-Level-Appropriate Text*

- 12.2.3 Verify and clarify facts presented in several types of expository texts by using a variety of consumer, workplace, public, and historical documents.
- 12.2.5 Analyze an author's implicit and explicit assumptions and beliefs about a subject.

### Standard 4

*Writing: Writing Process*

- 12.4.4 Structure ideas and arguments in a sustained and persuasive way and support them with precise and relevant examples.
- 12.4.7 Develop presentations by using clear research questions and creative and critical research strategies, such as field studies, oral histories, interviews, experiments, and Internet sources.
- 12.4.9 Use technology for all aspects of creating, revising, editing, and publishing.
- 12.4.11 Revise, edit, and proofread one's own writing, as well as that of others, using an editing checklist.

### Standard 5

*Writing: Writing Applications*

- 12.5.3 Write reflective compositions that:
- draw comparisons between specific incidents and broader themes that illustrate the writer's important beliefs or generalizations about life.
  - maintain a balance in describing individual incidents and relate those incidents to more general and abstract ideas.
- 12.5.6 Use varied and extended vocabulary, appropriate for specific forms and topics.

### Standard 6

*Writing: Written English Language Conventions*

- 12.6.1 Demonstrate control of grammar, diction, paragraph and sentence structure, and an understanding of English usage.
- 12.6.2 Produce writing that shows accurate spelling and correct punctuation and capitalization.

### Standard 7

*Listening and Speaking: Listening and Speaking Skills, Strategies, and Applications*

- 12.7.3 Distinguish between and use various forms of logical arguments, including inductive arguments and deductive arguments.
- 12.7.10 Analyze the impact of the media on the democratic process (including exerting influences on elections, creating images of leaders, and shaping attitudes) at the local, state, and national levels.

- 12.7.13 Identify logical fallacies used in oral addresses including *ad hominem* (appealing to the audience's feelings or prejudices), false causality (falsely identifying the causes of some effect), red herring (distracting attention from the real issue), overgeneralization, bandwagon effect (attracting the audience based on the show rather than the substance of the presentation).
- 12.7.16 Deliver reflective presentations that:
- draw comparisons between the specific incident and broader themes and to illustrate beliefs or generalizations about life.
  - Maintain a balance between describing the incident and relating it to more general, abstract ideas.
- 12.7.19 Deliver multimedia presentations that select an appropriate medium for each element of the presentation.

## Algebra I

### Standard 2

#### *Linear equations and inequalities*

- A1.2.6 Solve word problems that involve linear equations, formulas, and inequalities.

### Standard 3

#### *Relationships and Functions*

- A1.3.1 Sketch a reasonable graph for a given relationship.
- A1.3.2 Interpret a graph representing a given situation.
- A1.3.4 Understand the concept of a function, decide if a given relation is a function, and link equations to functions.

### Standard 5

#### *Pairs of Linear Equations and Inequalities*

- A1.5.6 Use pairs of linear equations to solve word problems.

### Standard 9

#### *Mathematical Reasoning and Problem Solving*

- A1.9.1 Use a variety of problem-solving strategies, such as drawing a diagram, making a chart, guess-and-check, solving a simpler problem, writing an equation, and working backward.
- A1.9.2 Decide whether a solution is reasonable in the context of the original situation.
- A1.9.6 Distinguish between inductive and deductive reasoning, identifying and providing examples of each.
- A1.9.8 Use counterexamples to show that statements are false, recognizing that a single counterexample is sufficient to prove a general statement false.

## Algebra II

### Standard 1

#### *Relations and Functions*

- A2.1.4 Graph relations and functions with and without graphing technology.
- A2.1.7 Graph functions defined piece-wise.
- A2.1.8 Interpret given situations and functions in graphs, formulas, and words.

## *Standard 2*

### *Linear and Absolute Value Equations and Inequalities*

- A2.2.3 Use systems of equations and inequalities to solve word problems.

## *Standard 6*

### *Algebraic Fractions*

- A2.6.5 Solve word problems involving fractional equations.  
A2.6.6 Solve problems of direct, inverse, and joint variation.

## *Standard 9*

### *Counting Principles and Probability*

- A2.9.1 Understand and apply counting principles to compute combinations and permutations.  
A2.9.2 Use the basic counting principle, combinations, and permutations to compute probabilities.

## *Standard 10*

### *Mathematical Reasoning and Problem Solving*

- A2.10.1 Use a variety of problem-solving strategies, such as drawing a diagram, guess-and-check, solving a simpler problem, writing an equation, and working backward.  
A2.10.2 Determine whether a solution is reasonable in the context of the original situation.  
A2.10.6 Use counterexamples to show that statements are false.

## **Probability and Statistics**

### *Standard 1*

#### *Descriptive Statistics*

- PS.1.1 Create, compare, and evaluate different graphic displays of the same data, using histograms, frequency polygons, cumulative distribution functions, pie charts, scatter plots, stem-and-leaf plots, and box-and-whisker plots. Draw these by hand or use a computer spreadsheet program.  
PS1.2 Compute and use mean, median, mode, weighted mean, geometric mean, harmonic mean, range, quartiles, variance, and standard deviation.

### *Standard 2*

#### *Probability*

- PS.2.1 Understand the counting principle, permutations, and combinations, and use them to solve problems.  
PS.2.8 Use and apply the normal distribution.

### *Standard 3*

#### *Statistical Inference*

- PS.3.2 Understand hypothesis tests of means and differences between means and use them to reach conclusions.

## **Social Studies**

### *Standard 1*

#### *Scarcity and Economic Reasoning*

- E.1.1 Define each of the productive resources (natural, human, capital) and explain why they are necessary for the production of goods and services.

- E.1.2 Explain how consumers and producers confront the condition of scarcity, by making choices which involve opportunity costs and tradeoffs.
- E.1.7 Compare and contrast how the various economic systems (traditional, market, command, mixed) answer the questions: What to produce? How to produce it? And for whom to produce?
- E.1.8 Describe how clearly defined and enforced property rights are essential in a market economy.
- E.1.9 Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, tradeoffs, unemployment, productivity, and growth.
- E.1.10 Use a decision-making model to analyze a public policy issue affecting the student's community.

## *Standard 2*

### *Supply and Demand*

- E.2.1 Define supply and demand
- E.2.2 Identify factors that cause changes in market supply and demand.
- E.2.4 Describe how prices send signals to buyers and sellers.
- E.2.5 Recognize that consumers ultimately determine what is produced in a market economy (consumer sovereignty).
- E.2.6 Explain the functions of profit in a market economy as an incentive for entrepreneurs to accept the risks of business failure.
- E.2.7 Demonstrate how supply and demand determine equilibrium price and quantity in the product, resource, and financial markets.
- E.2.12 Illustrate how investment in factories, machinery, new technology, and the health, education, and training of people increases productivity and raises future standards of living.

## *Standard 3*

### *Market Structures*

- E.3.1 Compare and contrast the following forms of business organization: sole proprietorship, partnership, and corporation.
- E.3.2 Identify the three basic ways that firms finance operations (retained earnings, stock issues, and borrowing), and explain the advantages and disadvantages of each.
- E.3.3 Recognize that economic institutions, such as labor unions, non-profit organizations, and cooperatives evolve in market economies to help individuals accomplish their goals.
- E.3.7 Explain ways that firms engage in price and non-price competition.
- E.3.8 Identify laws and regulations adopted in the United States to promote competition among firms.
- E.3.9 Describe the benefits of natural monopolies (economies of scale) and the purposes of government regulation of these monopolies (such as utilities).
- E.3.10 Explain how cartels affect product price and output.
- E.3.11 Describe how the earnings of workers are determined by the market value of the product produced and the workers' productivity

#### *Standard 4*

##### *The Role of Government*

- E.4.1 Explain the basic functions of government in a market economy.
- E.4.2 Explain how government responds to market failures by providing public goods and services.
- E.4.3 Describe major revenue and expenditure categories and their respective proportions of local, state, and federal budgets.
- E.4.4 Explore the ways that tax revenue is used in the community.
- E.4.6 Define progressive, proportional, and regressive taxation.
- E.4.8 Describe how costs of government policies may exceed benefits, because social or political goals other than economic efficiency are being pursued.
- E.4.9 Predict possible future effects of the national debt on the individual and the economy.
- E.4.10 Predict how changes in federal spending and taxation would affect budget deficits and surpluses and the national debt.

#### *Standard 5*

##### *National Economic Performance*

- E.5.4 Explain the four phases of the business cycle.
- E.5.8 Recognize that a country's overall level of income, employment, and prices are determined by the individual spending and production decisions of households, firms, and government.

#### *Standard 6*

##### *Money and the Role of Financial Institutions*

- E.6.1 Explain the basic functions of money.
- E.6.2 Identify the composition of the money supply of the United States.
- E.6.3 Explain the role of banks and other financial institutions in the economy of the United States
- E.6.4 Describe the organization and functions of the Federal Reserve System.
- E.6.5 Compare and contrast credit, savings, and investment services available to the consumer from financial institutions
- E.6.6 Demonstrate how banks create money through the principle of fractional reserve banking.

#### *Standard 7*

##### *Economic Stabilization*

- E.7.1 Define and explain fiscal and monetary policy.
- E.7.2 Define the tools of fiscal and monetary policy.
- E.7.4 Illustrate and explain cost-push and demand-pull inflation.
- E.7.5 Explain how monetary policy affects the level of inflation in the economy.
- E.7.6 Analyze how the government uses taxing and spending decisions (fiscal policy) to promote price stability, full employment, and economic growth.
- E.7.7 Analyze Federal Reserve uses monetary tools to promote price stability, full employment, and economic growth.

#### *Standard 8*

##### *Trade*

- E.8.1 Explain the benefits of trade among individuals, regions, and countries.
- E.8.2 Define and distinguish between absolute and comparative advantage.
- E.8.3 Define trade barriers, such as quotas and tariffs.
- E.8.4 Explain why countries sometimes erect barriers to trade.
- E.8.5 Explain the difference between balance of trade and balance of payments.
- E.8.6 Compare and contrast labor productivity trends in the United States and other developed countries.



- E.8.8 Explain how changes in exchange rates impact the purchasing power of people in the United States and other countries.
- E.8.9 Evaluate the arguments for and against free trade.